

# MONTANA

EQUAL PAY FOR EQUAL WORK

# TASK FORCE

BUSINESS & LABOR

EXHIBIT NO. 1  
DATE 1/30/15  
BILL NO. SB 158

## SB 158

PROVIDE FOR PAY CHECK FAIRNESS LAWS

**SPONSOR** SEN. DIANE SANDS SD 49

SB 158 prohibits employers from retaliating against employees who disclose their own wage, salary, and benefit information. SB 158 does not mandate that employers publish wage, salary, and benefit information of their employees. The Paycheck Fairness Act addresses gender wage inequity by opening the door for greater wage transparency.

### Wage transparency promotes pay fairness

- Prohibitions against revealing compensation can conceal pay disparities among employees, making it impossible for an employee to detect wage discrimination.

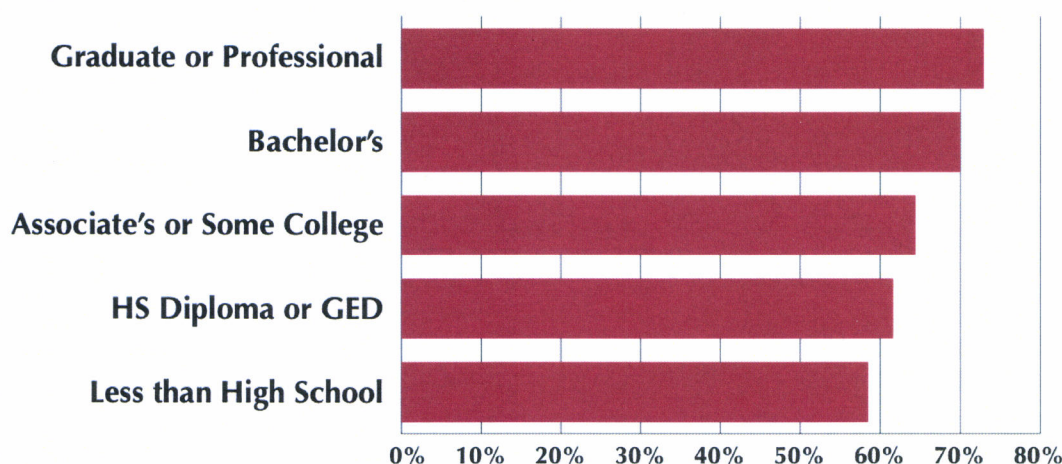
### There is a significant gender wage gap in Montana.<sup>1</sup>

- Montana women workers earned 67.5% of the median earnings of their male counterparts (\$20,575 compared to \$30,472).
- When considering only full-time workers, Montana women earned 74.7% of the median earnings of Montana men (\$31,850 compared to \$42,625).

### Montana's wage gap cannot be explained by industry, occupational choice, or educational attainment.

- Montana women earn less than men in every occupational category and in every industry sector.
- The wage gap persists across every level of educational attainment, as demonstrated by the chart below:

**Montana Women's Median Earnings as a Percent of Men's Median Earnings  
by Educational Attainment**  
for Montanan's 25 years and older



<sup>1</sup>American Community Survey 2013 – 3-Year Estimates, U.S. Census Bureau; Geography – Montana for all data except the last talking point on unemployment, which comes from the Bureau of Labor Statistics.

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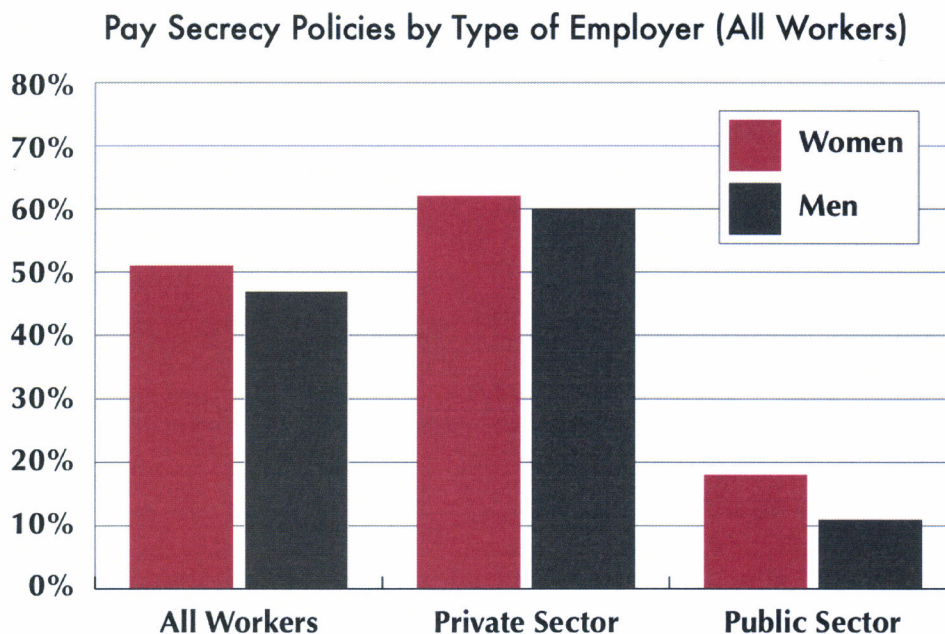
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Sectors with the greatest wage inequities also have high rates of pay secrecy.

- Public employees experience the greatest pay equity, with women in local government earning 84% of their male counterparts, and women in state and federal government earning 82% of their male counterparts.
- Private, for profit employees experience the least pay equity, with women earning 69% of their male counterparts.
- According to a national study<sup>2</sup>, private sector employees report much higher rates of pay secrecy than public sector employees:



Notes: Percent responding "discussion of wage information is discouraged or prohibited."

N=1,076

Source: IWPR/Rockefeller Survey of Economic Security 2010.

<sup>2</sup> Women and Men Living on the Edge: Economic Insecurity after the Great Recession, Washington, DC: Institute for Women's Policy Research, 2011



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### EQUAL PAY IN MONTANA

#### EARNINGS

- Nationally, women workers earned 70.6% of men's median earnings in 2013.
- Montana women workers earned 67.5% of the median earnings of their male counterparts (\$20,575 compared to \$30,472).
- Montana in 37th place for gender equity among states and the District of Columbia (1 being the most equal pay). Montana's rank has improved from 39th to 37th since the formation of the Equal Pay Task Force in 2012. Montana's rank has improved in recent years, with Montana being among the worst states in 2007.
- Some of the pay difference between women and men can be explained because women are more likely to work part-time jobs than men. Among working Montanans aged 16 to 64, 81% of men and 64% of women work at least 35 or more hours a week. Of women who work, 36% of women work less than 35 hours per week, compared to 19% of men.
- To account for fewer work hours in measuring gender pay inequity, you can compare only workers employed in full-time, year-round positions. The following statistics compare pay for full-time, year-round workers only:
  - Montana women earned 74.7% of the median earnings of Montana men (\$31,850 compared to men's \$42,625), placing Montana 42rd in pay equity when considering full-time workers. Montana has moved from 43rd rank to 42nd rank since the establishments of the Equal Pay Taskforce.
  - Montana women earn less than men in every occupational category. The occupational groups with the most equal pay were Community and Social Services and Farming and Forestry. The worst occupations for pay equity in Montana were Transportation occupations (women's median pay at 50% of men's median pay) and Legal occupations (51%).
  - No industry paid women more than men. The best industry for pay equity in 2013 was Agriculture (women's wages were 85% of men's), although only 20% of Agriculture workers are women. Pay inequality was the worst in the Mining and Oil and Gas Extraction Industry (women's wages at 56% of men's) and the Financial Activities industry, where women are paid only 65% of men's wages. Women's wages are less than men's even in the Health Care industry, where women comprise over three-quarters of the workers, but earn median wages that are only 68% of men's.
  - Montana local government workers have the best pay equity in Montana, with women's median earnings at 84% of men's median earnings, followed by federal workers (82%) and state workers (82%). Private for profit workers experienced the greatest pay inequity with full-time women workers earning only 69% of their male counterparts.

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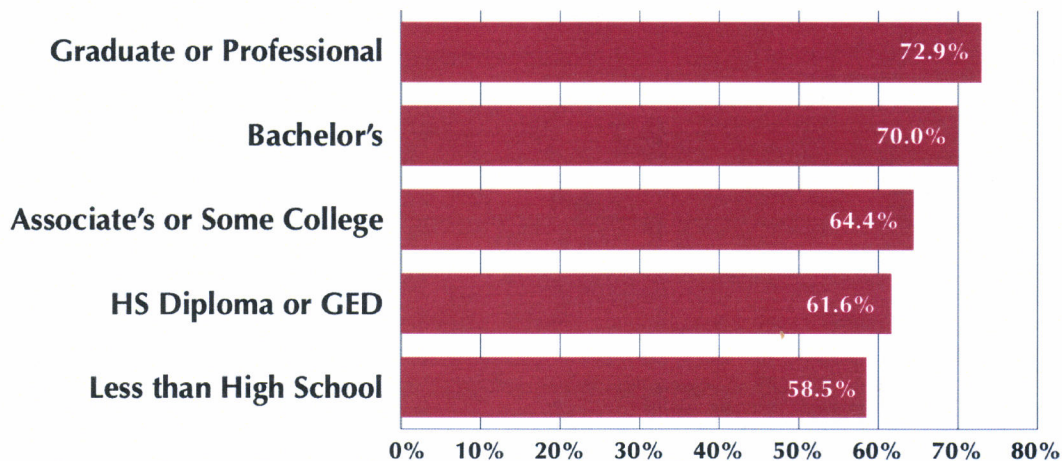
## TASK FORCE

### EQUAL PAY IN MONTANA

#### PAY BY EDUCATION AND GENDER

- In Montana, women are slightly more educated than men. More women than men have high school degrees (93.1% compared to 91.9%) and bachelor's degrees or higher (29.3% compared to 28.5%). A greater portion of men have graduate or professional degrees (8.6% compared to 9.5%).
- The following chart illustrates the pay gap by education level for Montana. Gender pay inequity is greatest among high school graduates with women's earnings only 58% of men's earnings. Pay inequity decreases at higher education levels, with women earning 73% of men's earnings at the graduate level. This chart includes all workers over 25, not just those working full-time.

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#### LABOR MARKET STATUS

- Women are less likely to be in the labor force than men, largely because women are more likely to take time off to care for their families. However, lower wages for women also play a role because of reduced incentive to work. 60% of Montana women are in the labor force, compared to 69% of Montana men. Montana women are more likely to be in the labor force than American women (58.7% of American women are in the labor force). Being in the labor force means that you are either working or looking for work.
- Montana women had an unemployment rate of 4.7% in 2013, compared to 6.2% for Montana men. Nationally, the unemployment rates are much closer, with 7.1% of women and 7.6% of men unemployed. Montana's large difference is likely because the male-dominated industry of construction has been slow to re-gain the jobs lost during the recession.